

- (2) cerebrovascular disease (430-438 excluding 437);
- (3) fracture of skull (800-804), excluding cases without intracranial injury;
- (4) intercranial injury, excluding those with skull fracture (850-854);
- (5) fracture of vertebral column with spinal cord injury (806);
- (6) spinal cord injury without evidence of spinal bone injury (952);
- (7) injury to nerve roots and spinal plexus (953); or
- (8) neoplasms of the brain and spine (170.2, 170.6, 191, 192, 198.3, 198.4, 213.2, 213.6, 225, 237.5, 237.6, and 239.6).

E. A resident or applicant must be defined as having a behavioral condition if the resident's or applicant's assessment score is two or more for behavior on the assessment form.

SECTION 13.020 Resident classes. The Department shall establish resident classes according to items A to K.

A. A resident must be assigned to class A if the resident is assessed as:

- (1) Low ADL;
- (2) not defined behavioral condition; and
- (3) not defined special nursing.

B. A resident must be assigned to class B if the resident is assessed as:

- (1) Low ADL;
- (2) defined behavioral condition; and
- (3) not defined special nursing.

C. A resident must be assigned to class C if the resident is assessed as:

- (1) Low ADL; and
- (2) defined special nursing.

D. A resident must be assigned to class D if the resident is assessed as:

- (1) Medium ADL;
- (2) not defined behavioral condition; and
- (3) not defined special nursing.

E. A resident must be assigned to class E if the resident is assessed as:

- (1) Medium ADL;
- (2) defined behavioral condition; and
- (3) not defined special nursing.

F. A resident must be assigned to class F if the resident is assessed as:

- (1) Medium ADL; and
- (2) defined special nursing.

G. A resident must be assigned to class G if the resident is assessed as:

- (1) High ADL;
- (2) scoring less than three on the eating ADL;
- (3) not defined special nursing; and
- (4) not defined behavioral condition.

H. A resident must be assigned to class H if the resident is assessed as:

- (1) High ADL;
- (2) scoring less than three on the eating ADL;
- (3) defined behavioral condition; and
- (4) not defined special nursing.

I. A resident must be assigned to class I if the resident is assessed as:

- (1) High ADL;
- (2) scoring three or four on the eating ADL;
- (3) not defined special nursing; and
- (4) not defined neuromuscular condition.

J. A resident must be assigned to class J if the resident is assessed as:

- (1) High ADL;
- (2) scoring three or four on the eating ADL;
- (3) not defined special nursing; and
- (4) defined neuromuscular condition or scoring three or four on behavior

K. A resident must be assigned to class K if the resident is assessed as:

- (1) High ADL; and
- (2) defined special nursing.

SECTION 13.030 Class weights. The Department will assign weights to each resident class according to items A to K.

- A. Class A, 1.00;
- B. Class B, 1.30;
- C. Class C, 1.64;
- D. Class D, 1.95;
- E. Class E, 2.27;
- F. Class F, 2.29;
- G. Class G, 2.56;

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H. Class H, 3.07;

I. Class I, 3.25;

J. Class J, 3.53;

K. Class K, 4.12.

SECTION 14.000 RESIDENT ASSESSMENT

SECTION 14.010 Assessment of nursing facility applicants and newly admitted residents.

Each nursing facility applicant or newly admitted resident must be assessed for the purpose of determining the applicant's or newly admitted resident's class. The assessment must be conducted according to the procedures in items A to I.

A. The county preadmission screening team or hospital screening team under contract with the county must assess all nursing facility applicants for whom preadmission screening is required, and any applicant for whom a preadmission screening is not required but who voluntarily requests such a screening, except as provided in subitems (1) and (2).

(1) The public health nurse of the county preadmission screening team or the registered nurse case manager shall assess a nursing facility applicant, if the applicant was previously screened by the county preadmission screening team and the applicant is receiving services under the alternative care grants program or under the Medical Assistance Program.

(2) An applicant whose admission to the nursing facility is for the purpose of receiving respite care services need not be reassessed more than once every six months for the purpose of computing resident days under Section 9.020, if the applicant has been classified by the Department of Health within the prior six-month period. In this case, the resident class established by the Department of Health within the prior six-month period may be the resident class of the applicant. A resident must not receive more than one assessment per respite care stay.

B. Except as provided in item A, subitem 2, the nursing facility must assess each applicant or newly admitted resident for whom a preadmission screening is not required or is not requested voluntarily. For the purposes of this item, the term newly admitted resident includes a resident who moves to a section of the nursing facility that is licensed differently than the section the resident previously was placed in or a resident who has been transferred from another nursing facility.

C. Except as provided in item D, the assessment required by this subpart must be performed within ten working days before or ten working days after the date the applicant is admitted to the nursing facility.

D. Any resident who is required to be assessed by the preadmission screening team under item A or who has received a prior preadmission screening, and for whom the assessment required under this subpart has not been performed by the preadmission screening team within ten working days before or ten working days after the date the applicant is admitted to the nursing facility must be assessed by the nursing facility. The nursing facility must perform the assessment and submit the forms to the Department of Health within 15 working days after admission.

E. Each assessment that the nursing facility is required to perform must be completed by a registered nurse. The registered nurse performing the assessment must sign the assessment form.

F. The assessment of each applicant or newly admitted resident must be based on procedures of the Department of Health including physical observation of the applicant or newly admitted resident and review of available medical records, and must be recorded on the assessment form.

G. Within five working days following the assessment, the preadmission screening team or hospital screening team under contract with the county must send the completed assessment form to the Department of Health, and provide a copy to the nursing facility.

H. Except as provided in item D, each assessment completed under items A to G and a completed medical plan of care must be submitted to the Department of Health by the nursing facility as a request for classification within ten working days after admission or after the assessment, whichever is later.

I. The resident class for applicants or newly admitted residents must be effective on the date of the person's admission to the nursing facility.

SECTION 14.020 Semiannual assessment by nursing facilities. Semiannual assessments of residents by the nursing facility must be completed in accordance with items A to D.

A. A nursing facility must assess each of its residents no earlier than 162 days and no later than 182 days after the date of the most recent annual assessment by the Department of Health.

B. A registered nurse shall assess each resident according to procedures established by the Department of Health including physical observation of the resident, review of the medical plan of care, and review of the resident's plan of care, and shall record the assessment on the assessment form. The registered nurse performing the assessment shall sign the assessment form.

C. Within five working days of the completion of the nursing facility's semiannual resident assessments, the nursing facility must forward to the Department of Health requests for classification for all residents assessed for the semiannual assessment. These requests must include the assessment forms, and the nursing facility's daily census for the date on which the assessments were completed including an explanation of any discrepancy between the daily census and the number of assessments submitted. The nursing facility must provide additional information to the Department of Health if the Department of Health requests the information in order to determine a resident's classification.

D. Any change in resident class due to a semiannual assessment must be effective on the first day of the month following the date of the completion of the semiannual assessments.

SECTION 14.030 Change in classification due to annual assessment by Department of Health. Any change in resident class due to an annual assessment by the Department of Health will be effective as of the first day of the month following the date of completion of the Department of Health's assessments.

SECTION 14.040 Assessment upon return to the nursing facility from a hospital. Residents returning to a nursing facility after hospitalization must be assessed according to items A to D.

A. A nursing facility must assess any resident who has returned to the same nursing facility after a hospital admission. The assessment must occur no more than five working days after the resident returns to the same nursing facility.

B. In addition to the assessment required in item A, residents who have returned to the same nursing facility after hospital admission must be reassessed by the nursing facility no less than 30 days and no more than 35 days after return from the hospital unless the nursing facility's annual or semiannual reassessment occurs during the specified time period.

C. A registered nurse shall perform the assessment on each resident according to procedures established by the Department of Health, including physical observation of the resident, review of the medical plan of care, and review of the resident's plan of care, and shall record the assessment on the assessment form. The registered nurse who performs the assessment shall sign the assessment form. Within five working days of the completion of the assessment, the nursing facility must forward to the Department of Health a request for a

classification for any resident assessed upon return to the nursing facility after a hospital admission. This request must include the assessment form and the resident's medical plan of care. Upon request, the nursing facility must furnish the Department of Health with additional information needed to determine a resident's classification.

D. Any change in resident class due to an assessment provided under item A must be effective on the date the resident returns to the nursing facility from the hospital. Any change in resident class due to a reassessment provided under item B must be effective as of the first of the month following the assessment.

SECTION 14.050 Change in resident class due to audits of assessments of nursing facility residents. Any change in resident class due to a reclassification must be retroactive to the effective date of the assessment audited.

SECTION 14.060 False information. If the nursing facility knowingly supplies inaccurate or false information in an assessment or a request for reconsideration, the Department shall apply the penalties in Section 2.150.

SECTION 14.065 Audit authority. The Department of Health may audit assessments of nursing facility and boarding care home residents. These audits may be in addition to the assessments completed by the Department. The audits may be conducted at the facility, and the Department may conduct the audits on an unannounced basis.

SECTION 14.067 Notice of resident reimbursement classification. The Commissioner of Health shall notify each resident, and the nursing facility or boarding care home in which the resident resides, of the reimbursement classification established. The notice must inform the resident of the classification that was assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the Commissioner, and the opportunity to request a reconsideration of the classification. The notice must be sent by first-class mail. The notices may be sent to the resident's nursing facility. The notice must then be distributed within three working days after the facility receives the notice.

SECTION 14.070 Request for reconsideration of classification. The resident may request that the Commissioner reconsider the assigned reimbursement classification. The request must be submitted in writing within 30 days of the receipt of the notice. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the resident at the time of the assessment resulting in the disputed classification justify a change of classification.

SECTION 14.075 Facility's request for reconsideration. In addition to the information in Section 14.070 a reconsideration request from a nursing facility must contain the following information: the date the notice was received by the facility; the date the notices were

distributed to the resident; and a copy of the notice sent to the resident. This notice must tell the resident that a reconsideration of the classification is being requested, the reason for the request, that the resident's rate will change if the request is approved and the extent of the change, that copies of the facility's request and supporting documentation are available for review and that the resident also has the right to request a reconsideration. If the facility fails to provide this information with the reconsideration request, the request must be denied, and the facility may not make further reconsideration requests on that specific reimbursement classification.

SECTION 14.077 Reconsideration. The Commissioner's reconsideration must be made by individuals not involved in reviewing the assessment that established the disputed classification. The reconsideration must be based upon the initial assessment and upon the information provided to the Department. If necessary for evaluating the reconsideration request, the Department may conduct on-site reviews. In its discretion, the Department may review the reimbursement classifications assigned to all residents in the facility. Within 15 working days of receiving the request, the Department shall affirm or modify the original resident classification. The original classification must be modified if the Department determines that the assessment resulting in the classification did not accurately reflect the needs of the resident at the time of the assessment. The resident and the nursing facility shall be notified within five working days after the decision is made. The Department's decision under this subdivision is the final administrative decision of the agency.

SECTION 14.080 Change in resident class due to a request for reconsideration of resident classification. Any change in a resident class due to a request for reconsideration of the classification must be made in accordance with items A and B.

A. The resident classification established by the Department of Health must be the classification that applies to the resident while any request for reconsideration is pending.

B. Any change in a resident class due to a reclassification must be effective as of the effective date of the classification established by the original assessment for which a reconsideration was requested.

SECTION 14.090 Resident access to assessments and documentation. The nursing facility must provide access to information regarding rates, assessments, and other documentation provided to the Department of Health in support of the resident's assessments to each nursing facility resident or the resident's authorized representative according to items A to D.

A. The nursing facility must post a notice of its current rates for each resident class in a conspicuous place. The rates must be posted no later than five days after receipt by the nursing facility. The nursing facility must include a notice that the nursing facility has chosen to appeal the rates.

B. The nursing facility must provide written notice to each private paying resident or the person responsible for payment of any increase in the total payment rate established by the Department 30 days before the increase takes effect. The notice must specify the current classification of the resident. This item does not apply to adjustments in rates due to a necessary change in the resident's classification as a result of an assessment required in this part.

C. The nursing facility must provide each nursing facility resident or the person responsible for payment with each classification letter received from the Department of Health within five days of the receipt of the classification letter. When the private paying resident is not the person responsible for payment, the classification letter must be sent to the person responsible for payment. If the resident's classification has changed, the nursing facility must include the current rate for the new classification with the classification letter.

D. Upon written request, the nursing facility must give the resident a copy of the assessment form and the other documentation that was given to the Department to support the assessment findings. The nursing facility shall also provide access to and a copy of other information from the resident's record that has been requested by or on behalf of the resident to support a resident's reconsideration request. A copy of any requested material must be provided within three working days of receipt of a written request for the information.

SECTION 15.000 DETERMINATION OF THE PROPERTY-RELATED PAYMENT RATE

The appraised values determined under Sections 15.010 to 15.040 are not adjusted for sales or reorganizations of provider entities.

SECTION 15.010 Initial appraised value. For the rate year beginning July 1, 1985, and until August 31, 1992, the Department shall contract with a property appraisal firm which shall use the depreciated replacement cost method to determine the appraised value of each nursing facility participating in the medical assistance program as of June 30, 1985. The initial appraised value of each nursing facility and any subsequent reappraisal under Sections 15.020 and 15.030 must be limited to the value of buildings, attached fixtures, and land improvements used by the nursing facility and must be subject to the limits in Section 15.040.

For hospital-attached nursing facilities, the Department shall require the appraisal of those portions of buildings, attached fixtures, and land improvements in service areas shared between the nursing facility and the hospital. The appraised value of the shared service areas must be allocated between the nursing facility and the hospital or other nonnursing facility areas using the Medicare worksheet B-1 statistics in effect on September 30, 1984. The appraised value of the shared service areas must be allocated by stepdown placing the

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appraised values on the appropriate line of column 1 on the Medicare worksheet B. The appraised value of the shared service areas allocated to the nursing facility shall be added to the appraised value of the nursing facility's buildings, attached fixtures, and land improvements.

For a newly-constructed nursing facility applying to participate in the medical assistance program which commenced construction after June 30, 1985 and until August 31, 1992, or a nursing facility with an increase in licensed beds of 50 percent or more, the Department shall require an initial appraisal upon completion of the construction. The construction is considered complete upon issuance of a certificate of occupancy or, if no certification of occupancy is required, when available for resident use. The property-related payment rate is effective on the earlier of either the first day a resident is admitted or on the date the nursing facility is certified for medical assistance.

SECTION 15.020 Routine updating of appraised value. For rate years beginning after June 30, 1986 and until July 1, 1992, the Department shall routinely update the appraised value according to items A to C.

A. The Department shall contract with a property appraisal firm which shall use the depreciated replacement cost method to perform reappraisals. Each calendar year, the Department shall select a random sample of not less than 15 percent of the total number of nursing facilities participating in the medical assistance program as of July 1, of that year. The sample must not include nursing facilities receiving an interim payment rate under Section 15.140. All nursing facilities in the sample must be reappraised during the last six months of the calendar year. Incomplete additions or replacements must not be included in the reappraisals. An incomplete addition or replacement is one for which a certificate of occupancy is not yet issued, or if a certificate of occupancy is not required, the addition or replacement is not available for use.

The updated appraised value for hospital-attached nursing facilities resulting from a reappraisal of shared service areas must be allocated to the nursing facility in the same ratio indicated by the Medicare stepdown in effect on September 30 of the rate year in which the reappraisal is conducted. The method described in Section 15.010, is to be used to determine allocation of the updated appraised value. The reappraised value of the shared service areas allocated to the nursing facility must be added to the reappraised value of the nursing facility's buildings, attached fixtures, and land improvements.

B. The Department shall compute the average percentage change in appraised values for the nursing facilities in the sample. The appraised value of each nursing facility not in the sample, and not reappraised under Section 15.030, must be increased or decreased by the average percentage change subject to the limits in Section 15.040. No redetermination of the average percentage change in appraised values shall be made as a result of changes in the appraised value of individual nursing facilities in the sample made after the Department's